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Placer
Mary Ann Hulse
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Robert C. Maddox
P.O. Box 5909
Tahoe City, CA 95730

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**CERTIFICATE OF AMENDED DECLARATION
ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP**

The unincorporated association of Unit 1-D Condominium Project Association acting in accordance with the votes cast in writing, signed and acknowledged by record Project Owners, being not less than a two-thirds (2/3) majority as described in Section 20 of the Declaration Establishing a Plan of Condominium Ownership, (hereinafter the "Original Declaration"), said voting record being on file at the principal office of the Unit 1-D Condominium Project Association, desires to amend and restate the Original Declaration as set forth in the First Amended and Restated Declaration Establishing A Plan of Condominium Ownership marked Exhibit "A", attached hereto and incorporated herein by this reference.

CERTIFICATE OF PRESIDENT

The undersigned, President of Unit 1-D Condominium Project Association, does hereby certify that the attached First Amended and Restated Declaration Establishing a Plan of Condominium Ownership (hereinafter "Amended Declaration") was approved by the Board of Directors of the Unit 1-D Condominium Project Association on October 15, 1988 and approved by not less than a two-thirds (2/3) majority of the record Project Owners by written consent as described in the Original Declaration, in accordance with the procedure for amendment, and said Amended Declaration is now amended and restated as attached.

Dated: November 13, 1990

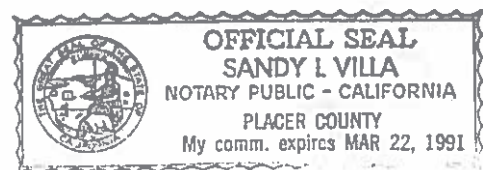
Daniel Wendin, President
Unit 1-D Condominium Project
Association

STATE OF CALIFORNIA)
) ss.
COUNTY OF PLACER)

On November 13, 1990, before me, the undersigned, a Notary Public in and for the State, personally appeared Daniel Wendin, and proved to me upon satisfactory evidence to be the person who executed the within instrument as President on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument.

WITNESS my hand and official seal.

SANDY L. VILLA, NOTARY PUBLIC



FIRST AMENDED AND RESTATED
DECLARATION ESTABLISHING A
PLAN OF CONDOMINIUM OWNERSHIP

A. GOLD BEND CONDOMINIUM ASSOCIATION, a California Nonprofit Mutual Benefit Corporation (hereinafter called "Project Association"), is the successor in interest to the unincorporated association of Owners established pursuant to that certain Declaration Establishing a Plan of Condominium Ownership recorded in the Office of the Recorder of the County of Placer, State of California, on the 6th day of September, 1973 at Book 1517, page 427 and following (hereinafter "Original Declaration"), as augmented pursuant to the following documents: (1) Declaration of Merger of Increments into Condominium Project; Certificate of Annexation; Certificate Supplementing the Description of Condominiums, recorded in the Office of the Recorder of the County of Placer, State of California, on the 16th day of November, 1973 at Book 1533, page 124 and following (hereinafter "Block 2 Certificate"); (2) the Declaration of Merger of Increments into Condominium Project; Certificate of Annexation; Certificate Supplementing the Description of Condominiums, recorded in the Office of the Recorder of the County of Placer, State of California, on the 16th day of November 1973 at Book 1533, page 134 and following (hereinafter "Block 3 Certificate"); and (3) the Declaration of Merger of Increments into Condominium Project; Certificate of Annexation; Certificate Supplementing the Description of Condominiums, recorded in the Office of the Recorder of the County of Placer, State of California, on the 16th day of November 1973 at Book 1533, page 144 and following (hereinafter "Block 4 Certificate"). The members of the Project Association are the owners of all Condominiums and Project Common Area (hereinafter "Project Owners" as further defined in paragraph 1(e) herein), which comprise the entire property located in the County of Placer, State of California, described in Exhibit A. The property is a "condominium project" within the meaning of California Civil Code Section 1351(f) and is subject to the provisions of the Davis Sterling Common Interest Development Act (Title 6, of the California Civil Code). It is the intention of the Project Owners to amend the Original Declaration pursuant to paragraph 20 of the Original Declaration and to retain upon

1.

EXHIBIT A

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the Project mutually beneficial restrictions under a general plan of improvement for the benefit of all of the Condominiums and their owners.

B. The Project is part of a development known as "Northstar" created by that certain Declaration of Covenants and Restrictions, executed by Trimont Land Company on November 3, 1971, and recorded on November 11, 1971, in the Office of the Recorder of the County of Placer in Book 1384 at page 124 (Recorder's Series No. 25099), herein called the "Northstar Restrictions". The provisions hereof are subject to the Northstar Restrictions. The property described in Exhibit A has been made subject to the Northstar Restrictions by operation of that certain Condominium Certificate and Declaration of Annexation recorded in the Office of the Recorder of the County of Placer, State of California, on the 6th day of September, 1973 at Book 1517, page 420 and following (hereinafter "Block 1 Certificate"), the Block 2 Certificate, the Block 3 Certificate and the Block 4 Certificate. The term "Certificates" as used herein refers collectively to Block 1 Certificate, Block 2 Certificate, Block 3 Certificate and Block 4 Certificate.

NOW THEREFORE, the Project Owners hereby declare that the property subject hereto shall be held, conveyed, used and improved subject to the following restrictions, all of which are part of a plan for improvement and division of the property into Condominiums, under a plan to enhance and perfect the value, desirability and attractiveness thereof. All of the restrictions shall run with the real property and bind all parties having or acquiring any right, title or interest therein or any part thereof for the benefit of each owner of any portion of the Project or any interest therein, and shall inure to the benefit of and be binding upon each successor in interest of the owners thereof. This Amended and Restated Declaration is made by the Project Owners pursuant to California Civil Code Section 1355 and pursuant to the Original Declaration.

1. Definitions. The terms used herein shall have the definitions provided in the Northstar Restrictions, on the Map and in the Certificates, with the addition of the following:

(a) Director: A member of the Project Board.

(b) Manager: A person or entity who manages the affairs of the Association pursuant to contract with the Association.

(c) Map: The subdivision map described in Exhibit A. References to the Map herein shall be deemed to include the provisions of the Certificates explaining and defining the real property interest depicted thereon.

(d) Member: A Project Owner as a member of the Project Association.

(e) Project: The Property described in Exhibit A as improved.

(f) Project Association: Gold Bend Condominium Association, a California Nonprofit Mutual Benefit Corporation.

(g) Project Board: The Board of Directors of the Project Association.

(h) Project Owner: Each person or entity shown by duly acknowledged instrument recorded in the office of the County Recorder of Placer County, State of California, to be the owner of a fee interest in a Condominium and an undivided fractional interest in some portion of the Project Common Area.

(i) Condominium Unit: The portion of a Condominium as to which a Project Owner is entitled to exclusive occupancy. Condominium Units are lots 1 through 127, inclusive, as shown on the Maps and as more particularly described in the Certificates. The boundary lines of each Condominium Unit are the interior unfinished surface (exclusive of paint, paper, wax, tile, enamel or other finishings) of its perimeter wall, bearing walls, floors, fireplaces, ceilings, windows and window frames, door and door frames and trim, and includes both the portions of a Building so described and the airspace so encompassed.

(j) Voting Power; Voting Right: Any reference herein to voting by the Members and/or their voting power, shall always refer to the allocation of voting rights within the Project Association as set forth in the schedule, attached hereto and marked Exhibit B.

2. No Partition. There shall be no judicial partition of the Project or any part thereof until the happening of the conditions set forth in paragraph 17 hereof. Nothing herein contained shall be deemed

to prevent a judicial partition as between co-tenants of a single Condominium.

3. Owners' Association. The Project Association is or shall be incorporated under the name of Gold Bend Condominium Association, as a nonprofit corporation under the California Nonprofit Mutual Benefit Corporation Law. The Project Association shall be charged with the duties and invested with the power prescribed by law and set forth in this Amended and Restated Declaration, the Articles of Incorporation, and the Bylaws.

4. Membership in Project Association.

(a) Every Project Owner shall be a Member of the Project Association. Status as a Project Owner is the sole qualification for membership.

(b) Rights to a membership and status as a Member terminate upon termination of status as a Project Owner. Upon conveyance, sale or assignment of the Project Owner's interest, and notice thereof to the Project Association, the selling Project Owner or Owners shall be relieved of liability for assessments levied from and after the date of such sale.

(c) No Project Owner may avoid the obligations of membership during the period when he is an Project Owner by nonuse of Project Common Area, renunciation or abandonment of his Condominium, or any other act of abandonment or renunciation.

5. Voting. Whenever votes of the Members are required hereunder, each Member shall be entitled to cast the votes set forth in the schedule, attached hereto and marked Exhibit B, for each Condominium owned by said Member. Any Member may attend meetings of the Project Association and vote in person, or by proxy, duly appointed by an instrument in writing signed by the Member or duly authorized officer of corporate Project Owners and filed with the Project Association or the Manager. Where there is more than one record Project Owner of a Condominium, all of such persons may attend any meeting of the Project Association, but it shall be necessary for those present to act unanimously in order to cast the votes in which they are entitled. Any

designation of an agent to act for such persons must be signed by all such persons.

6. Membership Meetings. The presence in person or by proxy at any meeting of the Members entitled to cast at least fifty percent of the total Voting Power of all Members shall constitute a quorum for any action except as otherwise provided in this Declaration or the Bylaws. Any Members' meeting, whether or not a quorum is present, may be adjourned from time to time for any reason by a vote of the Members representing a majority of the Voting Power of the Members present at the meeting, either in person or by proxy, to another time not less than five days nor more than 30 days from the date of the original meeting. If the time and place of the adjourned meeting is announced prior to the adjournment of the original meeting, no notice of the adjourned meeting is required, provided that if a new date is fixed for the adjourned meeting after the adjournment of the original meeting, notice of the date, time and place of the adjourned meeting shall be given to Members in the manner prescribed in the Bylaws. Any business that might have been transacted at the original meeting may be transacted at the adjourned meeting. In the absence of a quorum no business may be transacted at the meeting other than to adjourn the meeting to another time. If a meeting is adjourned because a quorum is not present, the quorum requirement at the adjourned meeting shall be one-third of the total Voting Power of all the Members. The Members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Project Association, where a quorum exists, upon the affirmative vote of a majority of the Voting Power, present in person or by proxy.

(a) Annual Meeting. There shall be an annual meeting of Members held at a reasonable place and time to be established in the Bylaws of the Project Association.

(b) Special Meetings. Special meetings of the Project Association may be called at any time for the purpose of considering matters which, by the terms of this Amended and Restated Declaration, require the approval of all or some of the Members, or for any other reasonable purpose. Meetings shall be called by written notice by the Project Board, the president, or by the Members representing at least five percent (5%) of the total Voting Power of the Project Association. The manner in which notice of such meeting is given to Members and the timing of such meeting shall be pursuant to provisions of the Bylaws of the Association.

7. Notices. Any notice of meetings shall be done pursuant to the provisions of the Bylaws of the Association.

8. Election and Proceedings of the Project Board.

(a) Election. At each annual meeting, the Members shall elect a Project Board for the forthcoming year, consisting of five (5) Project Owners or duly authorized officers of corporate Project Owners. Every Member entitled to vote at any election of the Project Board may cumulate his votes and give one candidate a number of votes equal to the number of Directors to be elected, multiplied by the number of votes to which such Member is otherwise entitled considering the allocation set forth in Exhibit B hereto, or distribute his votes on the same principle among as many candidates as he thinks fit. The candidates receiving the highest number of votes up to the number to be elected shall be deemed elected.

(b) Term. Directors shall serve for a term of one (1) year and until their respective successors are elected, or until their death, resignation or removal; provided that if any Director ceases to be a Project Owner, his membership on the Project Board shall thereupon terminate.

(c) Resignation and Removal. Any Director may resign at any time by written notice, and any Director may be removed from the Project Board by vote of the Members acting at a meeting where a quorum is present; provided that unless the entire Project Board is removed, an individual Director shall not be removed if the votes cast against his removal exceeds sixteen and two-thirds percent (16-2/3%) of the Voting Power of the Project Association.

(d) Proceedings. Three (3) Directors shall constitute a quorum. The Project Board shall elect a President, who shall preside over both its meetings and those of the Project Association. Meetings of the Project Board may be called, held and conducted in accordance with such regulations as the Project Board may adopt. The Project Board may also act without a meeting by unanimous written consent of the Directors.

9. Authority of the Project Association. For the benefit of the Condominiums and the Project Owners, the Project Association shall enforce the provisions hereof and shall acquire and shall pay for out of the Project Fund hereinafter provided for, the following:

(a) Necessary utility service for the Project Common Area, and to the extent not separately metered or charged, for the Condominiums.

(b) Insurance policies covering the entire Project for the interest of the Project Association and of all Project Owners and their mortgagees, as their interests may appear, in such amounts and with such endorsements and coverage as shall be considered good sound insurance coverage for properties similar in construction, location and use to subject property; provided, however, that the Project Association shall not be obligated to insure any personal property such as household furnishings of any of the Project Owners unless the Project Association decides to do so for all Project Owners on an equal basis. Such insurance shall include, but need not be limited to:

(1) Insurance against loss or damage by fire and hazards covered by a standard extended coverage endorsement in an amount which shall be equal to the maximum insurable replacement value, excluding foundation and excavation costs.

(2) Public liability and property damage insurance on a broad form basis.

(3) Workers' Compensation insurance to the extent necessary to comply with applicable laws.

(4) A fidelity bond or bonds for all officers, directors and employees of the Project Association having control over the receipt or disbursement of funds in such penal sums as shall be determined by the Project Association in accordance with its Bylaws.

(5) Errors and omissions coverage for officers and Directors of the Project Association.

(c) The services of such persons or entities including a Manager, as the Project Association shall determine are necessary or proper for the performance of its functions of operation of the Project; provided that the term of any contract with a Manager shall not exceed one year unless by the vote or written consent of a majority of the Voting Power to be for a longer term.

(d) Legal and accounting services necessary or proper in the operation of the Project or the enforcement of this Project Declaration.

(e) Exterior painting, maintenance, repair and all landscaping of the Project Common Area and such furnishings and equipment for the Project Common Area as the Project Association shall determine are necessary and proper. The interior surfaces of each Condominium Unit (and the interior surfaces of other areas, the exclusive use of which is reserved to the Project Owner by easement) shall be painted, maintained and repaired by the Project Owner at his expense.

(f) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alteration, insurance, taxes or assessments which the Project Association is required to secure or pay for pursuant to the terms of this Project Declaration or by law or which in its opinion shall be necessary or proper for the operation of the Project or for the enforcement of this Project Declaration, provided that if any such materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments, are provided for particular Condominiums, the cost thereof shall be specifically assessed thereto.

(g) Any amount necessary to discharge any lien or encumbrance levied against the entire Project or any part thereof which may, in the opinion of the Project Association, constitute a lien against the Project Common Area, rather than merely against the interests therein of particular Project Owners, provided that where one or more Project Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by

the Project Association by reason of said lien or liens shall be specifically assessed to said Project Owners.

(h) Maintenance and repair of any Condominium Unit, if such maintenance or repair is reasonably necessary in the opinion of the Project Association to protect the Project Common Area or preserve the appearance and value of the Project; and the Project Owner or Owners of said Condominium Unit have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair given the Project Association. The Project Association shall levy a special assessment against the Condominium of such Project Owner or Owners for the cost of such maintenance or repair.

(i) Repayment of principal and interest of any sum borrowed by the Association which borrowing is determined by the the Board to be in the best interests of the Association. Said debt may be secured by assets of the Association.

10. Financial Reports.

(a) The Project Association shall prepare a pro forma operating budget for each fiscal year and distribute a copy to each Project Owner not less than forty-five (45) days and not more than sixty (60) days prior to the beginning of the fiscal year. This budget shall contain at least the following:

(1) The estimated revenue and expenses on an accrual basis.

(2) The amount of the total cash reserves currently available for replacement or major repair of common facilities and for contingencies.

(3) Concerning any major components of the Project Common Area and facilities for which the Project Association is responsible, the following information: (i) an itemized estimate of the remaining life; (ii) the methods of funding to defray the costs of repair, replacement or additions; and (iii) a general statement of procedures used to calculate and establish reserves to defray the future repair, replacement or additions to those major components that the Association is obligated to maintain.

(b) Within one hundred twenty (120) days after the close of each fiscal year the Project Association shall prepare and distribute to the Project Owners an annual report consisting of the following:

- (1) A balance sheet as of the end of the fiscal year.
- (2) An operating (income) statement for the fiscal year.
- (3) A statement of changes in financial position for the fiscal year.

(4) For any fiscal year in which the gross income to the Project Association exceeds \$75,000, a copy of the review of the annual report prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy. If this report is not prepared by an independent accountant, it should be accompanied by the certificate of an authorized officer of the Project Association that the statement was prepared without independent audit or review from the books and records of the Project Association.

(c) Within sixty (60) days prior to the beginning of each fiscal year, the Project Association shall prepare and distribute to the Project Owners a statement describing the Project Association's policies and practices in enforcing lien rights or other legal remedies for default in payment of assessments against Project Owners.

11. Project Owner's Obligations to Repair. Except for those portions which the Project Association is required to maintain and repair hereunder, each Project Owner shall, at his sole cost and expense, maintain and repair his Condominium Unit, keeping the same in good condition.

12. Project Fund; Assessments.

(a) Within sixty (60) days prior to the beginning of each fiscal year the Project Board shall estimate the net charges to be paid during such year (including a reasonable provision for contingencies and replacements and less any expected income and any surplus from the prior year's fund). Said "estimated cash requirement" shall be assessed to each Condominium in accordance with Exhibit C. If said sum estimated proves inadequate for any reason, including nonpayment of any Project Owner's assessment, the Project Association may levy a further assessment, which shall be assessed in like proportions, unless

otherwise provided herein. Assessments made pursuant to this paragraph shall be paid in equal monthly installments on or before the first day of each month during said year, or in such other reasonable manner as the Project Association shall designate.

(b) All funds collected hereunder shall constitute the Project Fund and shall be expended for the purposes designated herein.

(c) The Project Board may not, without the approval of the Members casting a majority of the votes at a meeting or election of the Project Association where more than fifty percent (50%) of the Members are present or vote, impose a regular annual assessment per Condominium that is more than twenty percent (20%) greater than the regular annual assessment for the preceding year, or levy special assessments which in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Project Association for that year. These limitations shall not apply to assessment increases necessary for emergency situations as described in California Civil Code Section 1366.

(d) Late charges may be levied by the Project Association against a Project Owner for the delinquent payment of regular and special assessments. An assessment is delinquent fifteen (15) days after its due date. If an assessment is delinquent the Project Association may recover all of the following from the Project Owner:

(1) Reasonable costs incurred in collecting the delinquent assessment, including reasonable attorney's fees.

(2) A late charge not to exceed ten percent (10%) of the delinquent assessment or Ten Dollars (\$10), whichever is greater.

(3) Interest on the foregoing sums, at an annual percentage rate of twelve percent (12%), commencing thirty (30) days after the assessment becomes due.

No Project Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Project Common Area or abandonment of his or her Condominium.

13. Default in Payment of Assessments. All assessments levied pursuant to this Project Declaration are Project Assessments for the purposes hereof. Each Project Assessment shall be a separate, distinct and personal debt and obligation of the Project Owner of the Condominium

against which the same is assessed. A delinquent regular or special assessment and any related late charges, reasonable costs of collection, and interest assessed in accordance with paragraph 12(d) above of this Project Declaration, shall become a lien upon the Condominium when a notice of delinquent assessment is duly recorded as provided in California Civil Code Section 1367.

Any such lien may be enforced in any manner permitted by law, including judicial foreclosure or nonjudicial foreclosure. Any nonjudicial foreclosure shall be conducted by the trustee named in the notice of delinquent assessment or by a trustee substituted pursuant to and in accordance with California Civil Code Sections 2924 and 2934a.

If the sums specified in the notice of delinquent assessment are paid before the completion of any judicial or nonjudicial foreclosure, the Project Association shall record a notice of satisfaction and release of the lien. Upon receipt of a written request by the Project Owner, the Project Association shall also record a notice of rescission of any declaration of default and demand for sale.

A certificate executed and acknowledged by an authorized officer of the Project Board stating the indebtedness secured by the lien upon any Condominium created hereunder, shall be conclusive as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Project Owner upon request at a reasonable fee, not to exceed Twenty-Five Dollars (\$25).

14. Mortgage Protection. The liens created hereunder upon any Condominium shall be subject to the mortgage protection provisions of the Northstar Restrictions.

15. Use of Units and Project Common Area. The Condominium Units and Project Common Area shall be occupied and used as follows:

(a) Each Condominium Unit shall be used for residential purposes (including transient residential occupancy for income producing purposes) by the Project Owner or Owners, lessees, tenants or guests and purposes incidental thereto.

(b) There shall be no obstruction of the Project Common Area. Nothing shall be stored in the Project Common Area without the prior

consent of the Project Association except in designated storage or parking areas.

(c) Nothing shall be done or kept in any Condominium Unit or in the Project Common Area which will increase the rate of insurance on any part of the Project, without the prior written consent of the Project Association. No Project owner shall permit anything to be done or kept in his Condominium Unit or in the Project Common Area which will result in the cancellation of insurance on any Condominium Unit or any part of the Project Common Area.

(d) No animals, livestock or poultry of any kind shall be raised, bred, or kept in any Condominium Unit or in the Project Common Area, except that dogs, cats or other household pets may be kept in Condominium Units, subject to the rules and regulations adopted by the Project Association.

(e) No noxious or offensive activity shall be carried on in any Condominium Unit or in the Project Common Area, nor shall anything be done therein which may be or become an annoyance or nuisance to the other Project Owners.

(f) Nothing shall be constructed in or removed from the Project Common Area except upon the written consent of the Project Association; provided, however, that without such consent, Project Owners may make such alterations as do not adversely affect the structural integrity of any buildings or improvements or alter the exterior appearance of any part thereof, such permitted alterations to include, without limitation, interior remodeling of Condominium Units.

(g) There shall be no violation of rules for the use of the Project Common Area adopted by the Project Association and furnished in writing to the Project Owners, and the Project Board is authorized to adopt such rules consistent with the provisions hereof.

(h) None of the rights and obligations of the Project Owners created herein, or by the Deed creating the Condominiums shall be altered in any way by encroachments due to settlement or shifting of structures or from any other cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for

encroachment be created in favor of a Project Owner or Owners if said encroachment occurred due to the willful conduct of said Project Owner or Owners.

(i) Each Project Owner shall be responsible for compliance with the provisions hereof by his guests and lessees.

(j) There shall be exclusive easements to use the parking stalls, balconies, stairs and storage made appurtenant to each Condominium Unit by the Grant Deed thereto or assigned thereto on the Map. Use of the parking stalls, balconies, stairs and storage shall be subject to all of the provisions hereof. Parking stalls shall be used for parking of passenger motor vehicles only.

(k) There shall be non-exclusive easements appurtenant to each Condominium Unit to use all utility lines and installations, regardless of location with the Project, for the provision of utility services to the Condominium Units in a manner consistent with the use for which the Condominium Units are originally designed and built. No Project Owner or Owners shall alter, obstruct, interfere with or surcharge utility lines and services without the prior written consent of the Project Association in each instance.

(l) There shall be non-exclusive easements appurtenant to each Condominium Unit for circulation, ingress and egress over pedestrian walkways from time to time located within the Project and for pedestrian and vehicular circulation, ingress and egress along the private drives shown on the Map. The private drives are Project Common Area and as such are subject to reasonable rules and regulations concerning use from time to time promulgated by the Project Association.

16. Entry for Repairs. The Project Board or its agents may enter any Condominium Unit when necessary in connection with any maintenance, landscaping or construction for which the Project Association is responsible. Such entry shall be made with as little inconvenience to the Project Owners as practicable, and any damage caused thereby shall be repaired at the expense of the Project Fund.

17. Damage and Destruction. If the project is damaged by fire or other casualty and said damage is limited to a single Condominium Unit, all insurance proceeds shall be paid to the Project Owner or Owners, or

mortgagee or mortgagees of the Project Owner or Owners of such Condominium Unit, as their respective interests may appear, and such Project Owner or Owners, or mortgagee or mortgagees, shall use the same to rebuild or repair such Condominium Unit. If such damage extends to two or more Condominium Units, or extends to any part of the Project Common Area:

(a) If the available insurance proceeds initially offered or paid by the insurer do not exceed the sum of Ten Thousand Dollars (\$10,000) and the cost of repairing or rebuilding does not exceed the amount of available insurance proceeds by more than One Thousand Dollars (\$1,000), such insurance proceeds shall be paid to the insurance trustee hereinafter designated. The Project Association shall thereupon contract to repair or rebuild the damaged portions of all Condominium Units and the Project Common Area, in accordance with the original plans and specifications therefor, and the funds held in the insurance trust fund shall be used for this purpose. If the insurance proceeds are insufficient to pay all of the costs of repairing or rebuilding, the Project Association shall levy a special assessment on all Project Owners, in proportion to the interest of each Project Owner in the Project Common Area, to make up any deficiency.

(b) If subparagraph (a) is inapplicable, then:

(1) All insurance proceeds shall be paid to a bank or trust company designated by the Project Association to be held for the benefit of the Project Owners and their mortgagees as their respective interests may appear. The Project Association is authorized to enter on behalf of the Project Owners into such agreement, consistent with this Project Declaration with such insurance trustee, relating to its powers, duties and compensation, as the Project Association may approve.

(2) The Project Association shall obtain firm bids (including an obligation to obtain a performance bond) from two or more responsible contractors to rebuild the Project and shall, as soon as possible thereafter, call a special meeting of the Project Owners to consider such bids. If the Project Association fails to do so within sixty (60) days after the casualty occurs, any Project Owner may obtain such bids, and call and conduct such meeting as herein provided (failure

to call such meeting, or to repair such casualty damage, within twelve (12) months from the date such damage occurred shall be deemed for all purposes a decision not to rebuild said building). At such meeting the Project Owners may by a sixty-six and two-thirds percent (66-2/3%) vote of those present in person or by proxy considering the allocation set forth in Exhibit B hereto elect to reject all such bids requiring amounts more than One Thousand Dollars (\$1,000) in excess of available insurance proceeds. Failure to reject all bids shall authorize the Project Association to accept the unrejected bid it considers most favorable.

(3) If a bid is accepted, the Project Association shall levy a special assessment in proportion to the interest of each Project Owner in the Project Common Area, to make up any deficiency between the total insurance proceeds and the contract price for such repair or rebuilding, and such assessment and all insurance proceeds, whether or not subject to liens of mortgagees, shall be paid to said insurance trustee to be used for such rebuilding. If any Project owner shall fail to pay the special assessment within thirty (30) days after the levy thereof, the Project Association shall make up the deficiency by payment from the Project Fund. Upon payment, the Project Association shall let the contract to the successful bidder.

(4) Upon an election not to rebuild, the Project Association, as soon as reasonably possible and as agent for the Project Owners, shall sell the entire Project, in its then condition, free from the effect of this Project Declaration, which shall terminate upon such sale, on terms satisfactory to the Project Association. The net proceeds, and all funds held by said insurance trustee, shall thereupon be distributed to the Project Owners in proportions to the interest of each Project Owner in the Project Common Area, and to the mortgagees of the interest of the Project Owners, as their interests may appear.

(c) Within sixty (60) days after any such damage occurs, the Manager, or the Project Association, through the Project Board, or if they do not, any Project Owner, the insurer, the insurance trustee, or any mortgagee of any Project Owner, shall record a sworn declaration stating that such damage has occurred, describing it, identifying the building suffering such damage, the name of any insurer against whom

claim is made, and the name of any insurance trustee, reciting that the sworn declaration is recorded pursuant to this paragraph of this Project Declaration, and that a copy of such sworn declaration has been served pursuant to the provisions of paragraph 7 hereof on the Project Owners.

(d) If the Project Owners decide not to rebuild, either by calling a meeting and rejecting all bids presented or by failing to call such a meeting and failing to repair such damage within twelve (12) months after the damage occurs, then the Manager, or the Project Association, through the Project Board, or if they do not, any Project Owner or mortgagee of any Project Owner, shall record a sworn declaration setting forth such decision and reciting that under the provisions of this Project Declaration the prohibition against judicial partition provided for in paragraph 2 hereto has terminated. Upon final judgment of a court of competent jurisdiction decreeing such partition, this Project Declaration shall terminate.

18. Alterations, Additions and Improvements of Project Common Area. There shall be no structural alterations, capital additions to, or capital improvements of the Project Common Area requiring an expenditure in excess of One Hundred Fifty Thousand Dollars (\$150,000) without the prior approval of the Members holding a majority of the total Voting Power.

19. Audit. Any Project Owner may at any time at his own expense cause an audit or inspection to be made of the books and records pertaining to the Project.

20. Interpretation. The provisions of these Restrictions shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of a condominium project subject to the provisions of the Northstar Restrictions. Failure to enforce any provision hereof shall not constitute a waiver of the rights to enforce said provisions or any other provision hereof. The interests of all of the Project Owners are subject to the easements provided for in paragraph 15. Specification of particular easement rights in paragraph 15, in the Grant Deed for each Condominium Unit and on the Map shall not be construed to limit by implication or to negate the existence of other

rights arising by reason of the overall plan of Condominium ownership applicable to the Project.

21. Amendments. Except as otherwise provided herein, the provisions of this Project Declaration may be amended by vote or written consent by record Members holding two-thirds (2/3) of the Voting Power hereunder, which amendment shall be effective upon:

(a) The giving of approval of the required percentage of the Voting Power of the Project Association;

(b) That fact being certified in writing, executed and acknowledged by the President of the Project Association; and


(c) That writing has been recorded in the Office of the Recorder of the County of Placer.

22. Severability. The provisions hereof shall be deemed independent and severable, and the invalidity of any one provision or portion thereof shall not affect the validity of any other provision hereof.

23. Limitation of Liability. Upon sale, transfer, assignment, or other divestiture of a Project Owner's entire interest in his or her Condominium, the liability of the selling Project Owner for performance of any of the provisions hereof shall terminate with respect to obligations arising from and after the date of such divestiture.

IN WITNESS WHEREOF, the undersigned have executed this instrument this 13th day of November, 1990.

UNIT 1-D CONDOMINIUM PROJECT
ASSOCIATION, an unincorporated
association

BY: 
President Chairman, Project Committee


BY: 
Secretary, Project Committee

EXHIBIT A

PROPERTY DESCRIPTION

All property located within the boundaries of that certain subdivision map (the "Map") entitled "Tract No. 225, Northstar Unit 1-D", filed in the Office of the Recorder of the County of Placer on September 6, 1973, in Book K of Maps at page 3, excluding Parcel A and Parcel B as shown on said Map.

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EXHIBIT B
ALLOCATION OF VOTING RIGHTS

Each Unit within Block 1 shall have the following votes:

<u>Units</u>	<u>Votes Per Unit</u>
3, 5, 8, 11, 16, 18, 21, 25	.7
6, 7, 9, 10, 13, 19, 20, 23, 24, 26	1.0
2, 4, 12, 15, 17, 22	1.2
1, 14	1.5

Each Unit within Block 2 shall have the following votes:

<u>Units</u>	<u>Votes Per Unit</u>
28, 30, 34, 38, 40, 41, 44, 46, 47, 51, 53	.7
27, 33, 36, 37, 43, 45, 48, 54	1.0
29, 31, 35, 39, 50, 52	1.2
32, 42, 49	1.4

Each Unit within Block 3 shall have the following votes:

<u>Units</u>	<u>Votes Per Unit</u>
57, 59, 63, 67, 72, 77, 82, 84, 87, 89, 93, 95	.7
60, 61, 64, 65, 70, 75, 85, 86, 92	1.0
56, 58, 62, 66, 68, 69, 71, 73, 74, 76, 78, 79, 81, 83, 88, 90, 94, 96	1.2
55, 80, 91, 97	1.4

Each Unit within Block 4 shall have the following votes:

<u>Units</u>	<u>Votes Per Unit</u>
99, 101, 105, 110, 115, 120, 124, 126	.7
98, 104, 107, 108, 109, 117, 118, 121, 127	1.0
100, 102, 106, 111, 112, 113, 114, 116, 119, 123, 125	1.2
103, 122	1.4

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EXHIBIT C
ASSESSMENTS

ASSESSMENT ALLOCATION FOR BLOCK 1

Insurance premiums chargeable against the Condominiums in Blocks 1, 2, 3 and 4 shall be allocated to each Condominium in Blocks 1, 2, 3 and 4 in proportion to the percentage interest of each Condominium in the Project Common Area in Blocks 1, 2, 3 and 4.

The balance of the estimated cash requirement shall be allocated to each Condominium in accordance with the following formula:

Balance of estimated cash requirement divided by the total number of Condominiums within the Project at the time of allocation multiplied by the "Assessment Factor" for each Condominium within Blocks 1, 2, 3 and 4 in accordance with "Assessment Factor Schedule" detailed below for each Block.

BLOCK 1

<u>Unit</u>	<u>Assessment Factor</u>
3, 5, 8, 11, 16, 18, 21, 25	.7
6, 7, 9, 10, 13, 19, 20, 23, 24, 26	1.0
2, 4, 12, 15, 17, 22	1.2
1, 14	1.5

BLOCK 2

<u>Unit</u>	<u>Assessment Factor</u>
28, 30, 34, 38, 40, 41, 44, 46, 47, 51, 53	.7
27, 33, 36, 37, 43, 45, 48, 54	1.0
29, 31, 35, 39, 50, 52	1.2
32, 42, 49	1.4

BLOCK 3

<u>Unit</u>	<u>Assessment Factor</u>
57, 59, 63, 67, 72, 77, 82, 84, 87, 89, 93, 95	.7
60, 61, 64, 65, 70, 75, 85, 86, 92	1.0
56, 58, 62, 66, 68, 69, 71, 73, 74, 76, 78, 79, 81, 83, 88, 90, 94, 96	1.2
55, 80, 91, 97	1.4

EXHIBIT C
(Continued)

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BLOCK 4

<u>Unit</u>	<u>Assessment Factor</u>
99, 101, 105, 110, 115, 120, 124, 126	.7
98, 104, 107, 108, 109, 117, 118, 121, 127	1.0
100, 102, 106, 111, 112, 113, 114, 116, 119, 123, 125	1.2
103, 122	1.4